

Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-11
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TO SECSTATE WASHDC 0717

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E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJECT: GATT - COMMITTEE ON TRADE AND DEVELOPMENT (CTD)

REF: (A) GENEVA 8655, (B) GENEVA 7955

SUMMARY: THE GATT COMMITTEE ON TRADE AND DEVELOPMENT WILL HOLD ITS 35TH SESSION ON 23 JUNE. IN REF B WE SUGGESTED SEVERAL WAYS OF MAKING THIS COMMITTEE A MORE EFFECTIVE FORUM FOR THE CONSIDERATION OF DEVELOPING COUNTRY TRADE ISSUES IN THE POST MTN PERIOD. WE SHOULD BEGIN TO PREPARE FOR THE POST MTN PERIOD BY INITIATING SOME OF THESE PROPOSALS AT THE JUNE 23 MEETINGS. OUR COMMENTS ON SPECIFIC AGENDA ITEMS FOLLOWS. END SUMMARY.

1. REVIEW OF IMPLEMENTATION OF PART IV.

THE DISCUSSION ON THIS TOPIC IS BASED ON A PAPER PREPARED BY THE SECRETARIAT. AT THE FALL SESSION OF THE CTD, THE INFORMATION IN THE SECRETARIAT PAPER IS OBTAINED FROM THE LIMITED OFFICIAL USE

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ANNUAL NOTIFICATION BY CPS TO THE COMMITTEE; IN THE SPRING IT IS PREPARED WITHOUT SUCH NOTIFICATIONS FROM INFORMATION THE SECRETARIAT HAS OBTAINED ELSEWHERE, PRIMARILY FROM NOTIFICATION UNDER OTHER PROCEDURES OF THE GATT (ARTICLE XIX, PREFERENCES ETC). AS SOON AS THE DOCUMENT IS RELEASED WE WILL CABLE A SUMMARY OF ITS CONTENTS PERTAINING U.S. ACTION, SO THAT WASHINGTON CAN ADD

ANY U.S. MEASURES THE SECRETARIAT HAS OMITTED OR COMMENT ON ITEMS INCLUDED BY THE SECRETARIAT. AS RECOMMENDED IN PARA 4, INFORMATION ON ADJUSTMENT ASSISTANCE AND ON THE NUMBER OF ESCAPE CLAUSE PETITIONS ON WHICH THE ITC HAS MADE A NEGATIVE FINDING OF INJURY OR ON WHICH THE PRESIDENT TOOK LESSER RESTRICTIVE ACTIONS THAN RECOMMENDED BY ITC WOULD BE USEFUL IN COUNTERING CHARGES OF INCREASED PROTECTIONISM AGAINST LDC TRADE.

2. NOTIFICATION PROCEDURES RELATING TO THE IMPLEMENTATION OF PART IV.

AS NOTED IN REF B, DEVELOPING COUNTRY DEMANDS IN THE CTD FOR MORE DETAILED NOTIFICATIONS AND U.S. OBJECTIVES FOR IMPROVED GENERAL NOTIFICATION PROCEDURES COINCIDE ON MANY POINTS. WE SHOULD BE PREPARED TO COMMENT IN DETAIL ON PROPOSITIONS MADE BY LDCS (SEE PARA 17 TO 24 OF L/4597). SPECIFICALLY, USDEL COULD INDICATE US WILLINGNESS TO SUBMIT MORE COMPLETE AND BALANCED NOTIFICATIONS TO THE CTD (IN THIS REGARD, WE COULD DRAW COMMITTEE'S ATTENTION TO THE IMPROVED DETAIL OF U.S. NOTIFICATIONS UNDER ARTICLE XIX). WE COULD INDICATE THAT OUR CTD NOTIFICATIONS WILL INCLUDE A BREAKDOWN OF THE TRADE, SHOWING THE VALUE OF IMPORTS ORIGINATING IN LDCS THAT IS AFFECTED BY A GIVEN ACTION. SIMILARLY, WE COULD NOTE THAT OUR NOTIFICATIONS WILL BE COMPLETE IN THAT THEY WILL COVER BOTH LIBERALIZING AND RESTRICTIVE ACTIONS EVEN WHEN SUCH ACTIONS HAVE BEEN NOTIFIED ELSEWHERE UNDER OTHER LIMITED OFFICIAL USE

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GATT PROCEDURES. FINALLY, WE SHOULD VOICE OUR BELIEF THAT REVERSE NOTIFICATIONS COULD PLAY A USEFUL ROLE IN THE WORK OF THE COMMITTEE, PARTICULARLY FOR THOSE ACTIONS NOT NOTIFIED TO THE CTD WHICH LDCS MAY CONSIDER TO BE RELEVANT TO PART IV. WE MAY WISH ALSO TO DISCUSS THE MECHANICS OF REVERSE NOTIFICATIONS, SUCH AS WHO WOULD SUPPLY THE INFORMATION ONCE AN LDC INDICATED AN INTEREST IN A PARTICULAR ACTION, AND WHAT ROLE, IF ANY, THE SPECIAL ASSISTANCE UNIT MIGHT PLAY. WE MIGHT ALSO USE THIS OPPORTUNITY TO REMIND DEVELOPING COUNTRIES THAT THEY ALSO HAVE OBLIGATIONS TO NOTIFY TRADE ACTIONS, AND WHERE NECESSARY, TO INDICATE THE GATT JUSTIFICATION FOR SUCH ACTIONS. WE COULD SUGGEST THAT THE SPECIAL ASSISTANCE UNIT SHOULD ASSIST LDCS IN MAKING SUCH NOTIFICATIONS.

3. REVIEW OF DEVELOPMENTS IN INTERNATIONAL TRADE.

THIS ITEM IS A CATCH-ALL THAT ALLOWS LDCS TO RAISE ANY ISSUE. INDIA, WHICH ASKED ABOUT STEEL TALKS AT A RECENT MEETING OF THE GATT COUNCIL AND AT JUNE 8 MEETING OF CG-18 MAY DO SO AGAIN. WE MAY WANT TO MAKE LOW-KEY RESPONSE AT LEAST TO ASSURE COMMITTEE

THAT U.S. WILL NOT TAKE ACTION INCONSISTENT WITH GATT PROVISIONS.

4. TRADE PROTECTIONISM AFFECTING DEVELOPING COUNTRIES. SECRETARIAT PAPER, WHICH IS BROAD BACKGROUND STUDY SHOWING LDC TRADE FLOWS BY MAJOR CATEGORIES AND AMOUNT OF TRADE BY SECTOR SUBJECT TO TRADE RESTRAINTS, (DRAFT HANDCARRIED WASHINGTON TO STEWART (STR) AND SLATTERY (OT/GCP) WILL SERVE AS BACKDROP FOR LDC ATTACK AGAINST RISE IN PROTECTIONISM WHICH THEY ARGUE IS DIRECTED PRIMARILY AT THEIR PRODUCTS. WE MAY WISH TO PUT MATTER IN PERSPECTIVE BY SHOWING THAT, BY AND LARGE, THE U.S. HAS RESISTED DEMANDS FOR IMPORT RELIEF. TO DO SO, A SYNOPSIS ANALYSIS COMPARING 201 ESCAPE CLAUSE PETITIONS LIMITED OFFICIAL USE

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INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
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WITH RECOMMENDED AND FINAL ACTION COULD BE USEFUL. WE SHOULD BE PREPARED ALSO TO ANSWER CHARGES THAT ANTI-DUMPING AND COUNTERVAILING ACTION ARE USED AS PROTECTIONIST DEVICES. FINALLY, IN DEALING WITH THE UNDERLYING CAUSES OF PROTECTIONISM, WE MAY WANT TO DESCRIBE NEW EFFORTS IN ADJUSTMENT ASSISTANCE IN THE U.S.

IN PAST MEETINGS OF THE COMMITTEE, LDCS HAVE NOTED THE PILOT PROGRAM FOR ADJUSTMENT ASSISTANCE IN THE US SHOE SECTOR. WE MAY WANT TO GIVE MORE DETAILS OF THIS PROGRAM AND TO INDICATE IF WE INTEND TO GIVE WIDER APPLICATION TO THIS PROGRAM. SIMILARLY, ANY ADMINISTRATIVE SUPPORTED LEGISLATIVE PROPOSALS FOR AA MIGHT BE OF INTEREST.

5. DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS. THERE ARE UNCONFIRMED RUMORS THAT SEVERAL LDCS MAY USE CTD TO EXPRESS THEIR DISSATISFACTION WITH DEVELOPMENTS IN THE MTN AND TO BRING ADDITIONAL PRESSURE ON DCS TO INCLUDE MORE SPECIAL AND DIFFERENTIATED BENEFITS FOR THE LDCS. WE DO EXPECT THE CHAIRMAN (HAMZA) TO RECOMMEND THAT THE COMMITTEE BEGIN TO PLAN FOR POST MTN PERIOD. LIMITED OFFICIAL USE

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IN THIS REGARD, WE SHOULD BE PREPARED TO SUPPORT OR TO PROPOSE THAT THE SECRETARIAT UNDERTAKE A DETAILED STUDY OF THE RESULTS OF THE MTN ESPECIALLY AS THEY AFFECT THE TRADE OF LDCS. THIS STUDY COULD SERVE AS A BASIS FOR THE COMMITTEE'S DISCUSSION OF COMMITTEE UNDERTAKINGS IN THE POST MTN PERIOD. SUCH A DISCUSSION COULD TAKE PLACE AT THE FALL MEETING, ASSUMING THE SECRETARIAT HAS HAD TIME ENOUGH TO ANALYZE THE RESULTS OF THE MTN. IF NOT, WE SHOULD CONSIDER INDICATING OUR WILLINGNESS TO HOLD A SPECIAL SESSION OF THE COMMITTEE FOR THIS PURPOSE. WE HAVE INDICATIONS THAT THE UNCTAD DIVISION ON MANUFACTURES INTENDS TO DEVELOP A NUMBER OF PROPOSALS ON TRADE THAT COULD BE LAUNCHED AT UNCTAD V AND WE BELIEVE IT DESIRABLE THAT GATT SHOW IT IS ALREADY COPING WITH THE POST MTN TRADE PROBLEMS OF THE LDCS.

6. TECHNICAL ASSISTANCE. DISCUSSION UNDER THIS ITEM USUALLY CONSISTS OF SEVERAL LDCS SAYING "THANK YOU" TO THE GATT SECRETARIAT. WE MAY WISH TO RECALL OUR STATEMENT AT THE CG-18 SUPPORTING THE CONTINUED EXISTENCE OF THIS UNIT AFTER THE MTN. WE MAY ALSO WANT TO OUTLINE POSSIBLE FUNCTIONS IT MIGHT PERFORM, SUCH AS (1) STUDY OF MTN RESULTS ON LDC TRADE (2) ASSIST LDCS IN PREPARING FOR BOP CONSULTATIONS (3) ASSIST LDCS IN MAKING REQUIRED NOTIFICATIONS TO GATT (4) ASSIST LDCS IN PREPARING FOR INTRA-LDC TRADE NEGOTIATIONS.

7. EXPANSION OF TRADE AMONG DEVELOPING COUNTRIES. AT THE CG-18 DG LONG MADE A PLEA FOR A NEW ROUND OF INTRA-LDC TRADE NEGOTIATIONS AFTER THE CONCLUSION OF THE MTN SIMILAR TO THOSE WHICH LED TO THE PROTOCOL OF 16 AFTER THE KR. WE MAY WISH TO SUPPORT THIS PROPOSAL, NOTING THAT THE TECHNICAL ASSISTANCE UNIT COULD HELP

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